

APPENDIX ALTERNATE BILLED SERVICE “ABS”

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BILLING AND SETTLEMENT APPENDIX FOR UNBUNDLED NETWORK ELEMENT PLATFORM (“UNE-P”) ALTERNATE BILLED SERVICES TRAFFIC

This Appendix, Alternate Billed Services, sets forth the terms and conditions for Alternate Billed Services Billing and Settlement for Unbundled Network Element Platform (“UNE-P”) Alternate Billed Services Traffic.

1.0 DEFINITIONS

- 1.1 **“Adjustments”** means either (1) any dollar amounts that are credited to CLEC’s End-User Customer as defined in Section 9, or (2) any charges or credits to the CLEC’s Account for amounts declared as Unbillable and/or Uncollectible, as defined herein.
- 1.2 **“Alternate Billed Services” (ABS)** means a service that allows end-users to bill calls to accounts that may not be associated with the originating line. There are three types of ABS calls: calling card, collect and third number billed calls.
- 1.3 **“End User”** means a third-party residence or business that subscribes to Telecommunications Services provided at retail by the CLEC. As used herein, the term “End Users” does not include any of the Parties to this Agreement with respect to any item or service obtained under this Agreement.
- 1.4 The term ILEC in this Appendix references the SBC-owned ILECs doing business the regions more particularly described below:
 - 1.4.1 **SBC Communications Inc. (SBC)** means the holding company which directly or indirectly owns the following ILECs: Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, Nevada Bell Telephone Company d/b/a SBC Nevada, The Ohio Bell Telephone Company d/b/a SBC Ohio, Pacific Bell Telephone Company d/b/a SBC California, The Southern New England Telephone Company, Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma and/or SBC Texas and/or Wisconsin Bell, Inc. d/b/a SBC Wisconsin.
 - 1.4.2 **SBC-2STATE** - As used herein, **SBC-2STATE** means **SBC CALIFORNIA** and **SBC NEVADA**, the applicable SBC-owned ILEC(s) doing business in California and Nevada.
 - 1.4.3 **SBC-13STATE** - As used herein, **SBC-13STATE** means **SBC SOUTHWEST REGION 5-STATE**, **SBC MIDWEST REGION 5-STATE**, **SBC-2STATE** and **SBC SNET** the applicable SBC-owned ILEC(s) doing business in Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.
 - 1.4.4 **SBC MIDWEST REGION 5-STATE** - As used herein, **SBC MIDWEST REGION 5-STATE** means Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, The Ohio Bell Telephone Company d/b/a SBC Ohio, and/or Wisconsin Bell, Inc. d/b/a SBC Wisconsin, the applicable SBC-owned ILEC(s) doing business in Illinois, Indiana, Michigan, Ohio, and Wisconsin.
 - 1.4.5 **SBC SNET** - As used herein, **SBC SNET** means The Southern New England Telephone Company, the applicable above listed ILEC doing business in Connecticut.
 - 1.4.6 **SBC SOUTHWEST REGION 5-STATE** - As used herein, **SBC SOUTHWEST REGION 5-STATE** means Southwestern Bell Telephone, L.P. d/b/a SBC Arkansas, SBC Kansas, SBC Missouri, SBC Oklahoma and/or SBC Texas the applicable above listed ILEC(s) doing business in Arkansas, Kansas, Missouri, Oklahoma, and Texas.
- 1.5 **“Messages”** means the call detail information provided via the DUF (See Section 3.0).
- 1.6 **“Pre-paid Service”** means a program offered by **SBC-13STATE**’s Public Communications affiliate that will allow CLEC’s End Users to receive collect calls that originate from inmate facilities served by **SBC-**

13STATE's Public Communications affiliate when Selective Blocking has been imposed. Prepay Service allows the End Users to receive such calls by paying a pre-determined amount into a facility-specific account from which payment for future collect calls from that facility are deducted. Prepaid calls are billed at the same rate as collect calls. When the prepaid account is exhausted, calls are prevented from completing until additional amounts are deposited in the account. Any unused portion of a prepaid account is refunded upon request.

- 1.7 **"Rejects"** means Messages that fail to pass edits in the CLEC's billing system, including Messages that do not pass due to: (1) the age of the call; (2) missing information; (3) incomplete information, or (4) Automatic Number Identification "ANIs" that do not belong to the CLEC at the time the calls was made. Rejects are considered "Unbillable" as defined herein.
- 1.8 **"Selective Blocking"** means a blocking functionality which selectively blocks calls that originate from certain inmate facilities that are served by **SBC-13STATE**'s Public Communications affiliate and that are billable to CLEC's UNE-P End-Users (that is certain inmate – originated collect calls terminating to CLEC's unbundled switch-port). Traffic originating from these inmate facilities will not complete to UNE-P End-Users, unless such End-Users have set up a pre-paid account, as described herein. **SBC-13STATE** will identify CLEC's OCNs and provide programming necessary to restrict inmate originated collect calls, which terminate to **SBC-13STATE** unbundled local switch ports.
- 1.9 **"Rated ABS Message"** means an ABS message originating from **SBC-13STATE** that is rated and listed on the DUF.
- 1.10 **"Toll Billing Exception" (TBE)** means a blocking functionality which uses pre-existing Line Information Database "LIDB" that is currently available under the Interconnection Agreement to block CLEC's retail lines. CLEC orders TBE blocking via the service order process.
- 1.11 **"Unbillable"** means the rated value of an ABS Message that is not billable to CLEC's End-User because of missing information in the billing record or other billing error (not the result of an error by CLEC) that is returned to **SBC-13STATE** by means of the DUF.
- 1.12 **"Uncollectible"** means: an ABS Message for which charges are billed by CLEC to CLEC's end-user's telephone number and cannot be collected by CLEC from its End-User, despite CLEC's collection efforts.

2.0 RESPONSIBILITY FOR INCOLLECT CALLS

- 2.1 CLEC may select one of the three options set forth below, by placing its initials in the space provided:

- 2.2 **Option 1: CLEC Blocking of ABS Traffic**

CLEC is not responsible for charges for ABS traffic that is originated on **SBC-13STATE**'s network; provided, however, that CLEC must request full Toll Billing Exception (TBE) Blocking for all of its UNE-P End Users. In addition, **SBC-13STATE** will selectively block calls which originate from certain inmate facilities that are served by **SBC-13STATE**'s Public Communications unit that are billable to CLEC's UNE-P End-Users. Traffic originating from these inmate facilities will not complete to CLEC's UNE-P End-Users, unless such End-Users have set up a pre-paid service. **SBC-13STATE** will identify CLEC's OCNs and provide the programming necessary to restrict inmate originated collect calls, which terminate to **SBC-13STATE** unbundled local switch ports. CLEC will be responsible for one hundred percent (100%) and all applicable charges as discussed herein of any and all ABS charges passed through **SBC-13STATE** by a Third Party LEC to CLEC that are included in a DUF transmission.

- 2.2.1 CLEC shall block its End-User Customer access to ABS messages by requesting full Toll Billing Exception (TBE) blocking when it submits its order for ULS.
- 2.2.2 CLEC shall be responsible for paying all Charges arising out of CLEC's failure to order blocking for UNE-P lines and as such ABS calls will not be adjusted. If the CLEC fails to place TBE on the line **SBC-13STATE** will charge the CLEC a fee of one hundred and fifty dollars (\$150) per day for each CLEC UNE-P End-User that did not have TBE implemented.

2.2.3 Settlement with CLEC

2.2.3.1 The amount due **SBC-13STATE** shall be the total of all billable charges, plus appropriate taxes submitted to CLEC, less:

- a. Amounts declared Unbillable or Rejects as provided in Section 8.0 of the Appendix;
- b. Late Payment Charges previously assessed for Unbillables.

2.2.3.2 Upon termination of this Appendix for any reason, all sums due to **SBC-13STATE** hereunder shall be immediately due and payable.

2.2.4 Unbillables / Rejects

2.2.4.1 CLEC may submit Unbillable and/or Reject claims to **SBC-13STATE** as provided in Section 7.0.

2.3 **Option 2: CLEC Responsible for ABS Traffic**

CLEC is responsible for payment of all charges for ABS Traffic excluding Unbillables and Rejects, as provided in Section 8, and agrees to comply with the remaining terms and conditions in this Appendix. CLEC may submit up to a maximum of thirty-five percent (35%) of **SBC-13STATE**'s rated ABS messages and applicable taxes delivered via the DUF to **SBC-13STATE** as an Uncollectible, for a given bill period. CLEC will be responsible for one hundred percent (100%) of any ABS charges and applicable taxes passed through **SBC-13STATE** by a Third Party LEC that is included in a DUF transmission. **SBC-13STATE** will credit CLEC a Billing and Collection Service (B&CS) fee of \$0.05 per billed message for billing its End Users according to the ABS messages transmitted via the DUF for ABS calls originated on SBC-13STATE's network.

2.3.1 At the CLEC's option, **SBC-13STATE** will selectively block calls which originate from inmate facilities that are served by **SBC-13STATE**'s Public Communications unit that are billable to CLEC's End-Users. Once the CLEC requests Selective Blocking, **SBC-13STATE** will identify CLEC's OCNs and provide the programming necessary to restrict inmate originated collect calls, which terminate to **SBC-13STATE** unbundled local switch ports.

2.3.2 Settlement with CLEC:

2.3.2.1 The amount due each billing cycle to **SBC-13STATE** from CLECs who select Option 2, shall be the total of all billable charges, plus appropriate taxes submitted to CLEC less:

- a. All charges due CLEC under Option 2 of this Appendix minus the credit to CLEC of a Billing and Collection Service (B&CS) fee of \$0.05 per billed message for billing its End Users according to the ABS messages transmitted via the DUF for ABS calls originated on **SBC-13STATE's** network.
- b. Amounts declared Unbillable or Rejects as provided in Section 8.0 of the Appendix;
- c. Late Payment Charges previously assessed to Uncollectibles and/or Unbillables.

2.3.2.2 Under Option 2, **SBC-13STATE** will conduct a running average review, semi-annually, of the CLEC recoured Uncollectibles to determine whether the 35% cap has been achieved by the CLEC. **SBC-13STATE** will adjust the CLEC's account accordingly as a result of the running average review for amounts declared Uncollectible. **SBC-13STATE** will work with CLEC to establish running average amount for the first six months after execution of this Appendix.

2.3.2.3 Upon termination of this Appendix for any reason, all sums due to **SBC-13STATE** hereunder shall be immediately due and payable.

2.3.3 Uncollectibles

2.3.3.1 **SBC-13STATE** may adjust CLEC's ABS charges for timely and properly returned Uncollectibles, as defined herein. If CLEC has not billed its End-User for ABS charges or has not made collection efforts, a message is not an Uncollectible and CLEC may not return

the rated message to **SBC-13STATE** for adjustment. Prior to CLEC appealing for an adjustment for an Uncollectible, CLEC will make good faith efforts to collect said amounts from its End-User. This excludes adjustments for Unbillables and Rejects, as defined herein.

- 2.3.3.2 CLEC may submit Uncollectibles to **SBC-13STATE** no earlier than 30 days, but no later than 180 days, from the date that the message was originally sent to CLEC by means of the DUF.
- 2.3.3.3 CLEC must return Uncollectibles to **SBC-13STATE** by means of the DUF, using the appropriate EMI Guidelines to receive adjustment.
- 2.3.3.4 CLEC shall implement Toll Billing Exception (TBE) for any End-User customer that is 60 days in arrears for any ABS calls. CLEC shall implement such TBE within 5-business days of recouping an Uncollectible to **SBC-13STATE** for adjustment. **SBC-13STATE** reserves the right to return Uncollectibles to CLEC if TBE was not placed on the End-User customer access line that is in arrears.
- 2.3.3.5 If the CLEC fails to place TBE on the line **SBC-13STATE** will charge the CLEC a fee of one hundred and fifty dollars (\$150) per day for each CLEC UNE-P End-User that did not have TBE implemented.
- 2.3.3.6 In the event that the CLEC wishes to remove TBE from an End User's line, CLEC must present full payment of any previous Uncollectibles on that End User's line to **SBC-13STATE** prior to **SBC-13STATE** removing TBE on the End User's line.

2.4 **Option 3: CLEC Purchase of ABS Accounts Receivable**

CLEC is responsible for payment of all charges for ABS Traffic, and will remit payment for all charges, excluding Unbillables and Rejects, as provided in Section 8. At the sole discretion of the CLEC, it may bill its End-User for ABS calls transmitted via the Daily Usage File (DUF). CLEC shall receive an Accounts Receivable Discount, which requires that the CLEC shall purchase seventy percent (70%) of the total amount of **SBC-13STATE**'s originated rated ABS messages and applicable taxes, and 100% of any ABS charges passed through **SBC-13STATE** by Third Party LECs that are included in a DUF transmission, as provided in Section 3.

- 2.4.1 At the CLEC's option, **SBC-13STATE** will selectively block calls, which originate from inmate facilities that are served by **SBC-13STATE**'s Public Communications unit that are billable to CLEC's End-Users. Once the CLEC requests Selective Blocking, **SBC-13STATE** will identify CLEC's OCNs and provide the programming necessary to restrict inmate originated collect calls, which terminate to **SBC-13STATE** unbundled local switch ports.

2.4.2 Settlement with CLEC

- 2.4.2.1 The amount due **SBC-13STATE** shall be the total of all billable charges, plus appropriate taxes submitted to CLEC, less:
 - a. The Accounts Receivable Discount, as defined within Option 3 above, will be credited one month in arrears to Requesting Carrier's account;
 - b. Amounts declared Unbillable or Rejects as provided in Section 8.0 of the Appendix;
 - c. Late Payment Charges previously assessed for Unbillables.
- 2.4.2.2 Upon termination of this Appendix for any reason, all sums due to **SBC-13STATE** hereunder shall be immediately due and payable.

2.4.3 Billing Services

- 2.4.3.1 **SBC-13STATE** will provide CLEC with formatted records via the DUF for **SBC-13STATE**'s and Third Party LECs' rated messages for ABS calls in accordance with each Provider's requested rate. If CLEC elects to render bills to CLEC's Customers; it must do so in accordance with standard billing processes. If CLEC elects to bill its End-Users for ABS calls, it shall bill all calls within thirty (30) days of receiving the DUF.

2.4.3.2 CLEC must comply with all federal and state requirements applicable to the provision of the Billing Services if it elects to bill its End-Users for ABS calls.

3.0 DAILY USAGE EXTRACT FILE: Applies to all Options

- 3.1 Daily Usage Extract is a process whereby CLEC can receive usage sensitive records (Daily Usage Extract file, "DUF") in the industry standard format, currently Exchange Message Interface (EMI). The EMI format is established by the Ordering and Billing Forum (OBF), an industry body, sponsored by the Alliance for Telecommunications Solutions (ATIS), that is charged with creating voluntary guidelines for the exchange of information among Telecommunications Carriers. Although **SBC-13STATE** follows the OBF guidelines in respect to packaging and transmitting messages, regional differences may exist which are documented in the Daily Usage Extract user guide, available on **SBC-13STATE**'s CLEC web site.
- 3.2 In addition to any other records required to be transmitted in the DUF under the CLEC's Interconnection Agreement **SBC-13STATE** shall transmit **SBC-13STATE**'s and Third Party LECs' rated messages for ABS calls to CLEC on the DUF. The **SBC-13STATE** originated messages will be rated by **SBC-13STATE** and provided on the DUF. Third Party LEC's messages will be transmitted to CLEC as passed to **SBC-13STATE** from the Third Party LEC. Any disputes that the CLEC has with the Third Party LEC rates must be addressed directly by the CLEC with the Third Party LEC.
- 3.3 CLEC and **SBC-13STATE** have stipulated that a per message charge for **SBC-13STATE**'s transmission of ABS messages via the DUF to CLEC is applicable and **SBC-13STATE** will bill CLEC for the transmission Charge as outlined in the state specific Interconnection Agreement.
- 3.4 Notwithstanding the foregoing, CLEC shall not be liable for any Underbilled Charges for which Customer Usage Data was not furnished by **SBC-13STATE** to CLEC within six (6) months of the date such usage was incurred.
- 3.5 CLEC shall notify **SBC-13STATE**'s Information Systems "IS" Call Center within twenty-four (24) hours if a problem occurs with transmission of the Daily Usage Extract file.

4.0 BILLING AND COLLECTION SERVICES (B&CS): Applies to Options 1 & 2 Only

4.1 Billing Services

- 4.1.1 CLEC will provide Billing and Collection Services (B&CS) to **SBC-13STATE** for the ABS calls described in this Appendix and for additional Alternate Billing Services that may be developed during the term of this Appendix.
- 4.1.2 **SBC-13STATE** will provide CLEC with formatted records via the DUF for **SBC-13STATE**'s and Third Party LECs' rated messages for ABS calls in accordance with each Provider's requested rate. CLEC will render bills to CLEC's Customers in accordance with standard billing processes. CLEC must bill for all ABS calls contained on the formatted DUF records. CLEC shall bill all calls within thirty (30) days of receiving the applicable DUF.
- 4.1.3 CLEC must comply with all federal and state requirements applicable to the provision of the Billing Services.

4.2 Collection Services

These Collection Services consist of:

- Collecting payments remitted by CLEC's End-User Customers for Alternate Billing Services calls;
- Adjusting End User's bills as set forth in Section 7.0 of this Appendix;
- Responding to Customer complaints, inquiries and disputes;
- Remitting net proceeds to **SBC-13STATE**;
- Undertaking preliminary collection activity for delinquent accounts which may include but is not limited to referring account to outside collection agency, applying Selective or TBE blocking, or payment plan.

5.0 CHANGES TO PROVIDER'S SERVICES AND RATES

- 5.1 At its option, the CLEC may pass through discretionary charge(s) their End-User's, as a mechanism for cost recovery, when choosing to bill its End-User Customer.

6.0 CUSTOMER COMPLAINTS AND INQUIRIES

- 6.1 CLEC is responsible for facilitating all End User complaints, inquiries and disputes associated with ABS calls. **SBC-13STATE** will work cooperatively with CLEC to address the CLEC's End User's concerns.

7.0 ADJUSTMENTS TO CLEC'S END-USER'S ACCOUNT

- 7.1 The CLEC has the option to remove a disputed Uncollectible charge from their End User's account no earlier than thirty (30) days from the date that the message was originally sent to CLEC by means of the DUF.

8.0 UNBILLABLES / REJECTS

- 8.1 **SBC-13STATE** may adjust CLEC's ABS charges for timely and properly returned Unbillables and Rejects as defined herein.
- 8.2 CLEC may submit Unbillable and/or Reject claims to **SBC-13STATE** no later than 60 days from the date the message was originally sent to CLEC through the DUF.
- 8.3 CLEC must return Unbillable and/or Reject claims to **SBC-13STATE** by means of the DUF, using the appropriate EMI Guidelines.
- 8.4 Upon receipt of returned Unbillable and/or Reject, **SBC-13STATE** will first attempt to correct the message and re-send it to CLEC for End-User billing. If the record cannot be corrected, **SBC-13STATE** will process appropriate credits to CLEC's account.
- 8.5 In the rare event that duplicate records are received by the CLEC, a separate adjustment procedure will be necessary. A CLEC may notify **SBC-13STATE** of duplicate records by submitting an e-mail message to pccdispute@SBC.com.

9.0 TAXES

- 9.1 Taxes Imposed on Services Performed by Reseller. CLEC shall be responsible for payment of all sales, use or other taxes of a similar nature, including interest and penalties, imposed on CLEC's performance of Billing Services and Collection Services under this Appendix.
- 9.2 Taxes on Alternate Billed Services CLEC shall be responsible for applying taxes as determined by Provider for all ABS messages billed hereunder as specified in Exhibit E. Each Provider shall be responsible for determining what taxes apply to the service it provides and for notifying **SBC-13STATE** of those taxes. **SBC-13STATE** shall notify CLEC of this information and pursuant to this Appendix CLEC shall bill and collect such taxes based on information supplied by Provider and shall remit such taxes to **SBC-13STATE**. CLEC shall identify the amount of taxes and type of taxes, by Provider. **SBC-13STATE** shall then remit such collected taxes to the Provider.

10.0 BLOCKING

- 10.1 CLEC shall comply with all federal and state requirements to block End User access to ABS calls upon End User's request. CLEC shall also block End User access to ABS calls upon **SBC-13STATE**'s request, as set forth in the Guidelines in this Appendix.
- 10.2 CLEC shall agree to cooperate with **SBC-13STATE** to investigate, minimize, and take corrective action in cases of fraud. CLEC shall also block its End-User access to ABS calls upon **SBC-13STATE**'s request in the case of fraud.

- 10.3 In connection with the selective blocking and TBE option, **SBC-13STATE** is unable to guarantee that its methodology will block 100% of the collect/third party calls. CLEC is responsible for any ABS charges that may occur due to CLEC's End User's acceptance of Collect/Third Party calls.
- 10.4 Not all facilities have the necessary equipment or capacity to implement Selective Blocking. For Facilities not capable or without capacity to implement Selective Blocking, Toll Billing Exception (TBE) is an available alternative for the CLEC.
- 10.5 CLEC will not be charged for Selective Blocking for the remainder of 2002. **SBC-13STATE** will provide CLEC with 60-day notice from when recurring charges will commence, allowing it to remove Selective Blocking accordingly. The parties will negotiate the Selective Blocking rate. If the parties are unable to reach Appendix on the Selective Blocking Rate they will initiate the Dispute Resolution Process contained in the Underlying Interconnection Agreement.
- 10.6 **SBC-13STATE** reserves the right to withdraw the Selective Blocking Option at any time, with 30 days' notice.
- 10.7 Certain calling patterns by CLEC's End-Users accepting ABS calls may trigger fraud alerts that may require Toll Billing Exception (TBE) in place of or in addition to Selective Blocking.

11.0 AUDIT RIGHTS

- 11.1 A Party (the "**Auditing Party**") may audit the other Party's (the "**Audited Party**") books, records, data and other documents, as provided herein, once annually, with the audit period commencing not earlier than the date on which services were first supplied under this Appendix ("**service start date**") for the purpose of evaluating (i) the accuracy of Audited Party's billing and invoicing of the services provided hereunder and (ii) verification of compliance with any provision of this Appendix that affects the accuracy of Auditing Party's billing and invoicing of the services provided to Audited Party hereunder. Notwithstanding the foregoing, an Auditing Party may audit the Audited Party's books, records and documents more than once annually if the previous audit found (i) previously uncorrected net variances or errors in invoices in Audited Party's favor with an aggregate value of at least five percent (5%) of the amounts payable by Auditing Party for audited services provided during the period covered by the audit or (ii) non-compliance by Audited Party with any provision of this Appendix affecting Auditing Party's billing and invoicing of the services provided to Audited Party with an aggregate value of at least five percent (5%) of the amounts payable by Audited Party for audited services provided during the period covered by the audit.
- 11.2 The scope of the audit shall be limited to the period which is the shorter of (i) the period subsequent to the last day of the period covered by the audit which was last performed (or if no audit has been performed, the service start date and (ii) the twelve (12) month period immediately preceding the date the Audited Party received notice of such requested audit, but in any event not prior to the service start date. Such audit shall begin no fewer than thirty (30) calendar days after Audited Party receives a written notice requesting an audit and shall be completed no later than thirty (30) calendar days after the start of such audit.
- 11.3 Such audit shall be conducted either by the Auditing Party's employee(s) or an independent auditor acceptable to both Parties; provided, however, if the Audited Party requests that an independent auditor be engaged and the Auditing Party agrees, the Audited Party shall pay one-quarter (1/4) of the independent auditor's fees and expenses. If an independent auditor is to be engaged, the Parties shall select an auditor by the thirtieth day following Audited Party's receipt of a written audit notice. Auditing Party shall cause the independent auditor to execute a nondisclosure Agreement in a form agreed upon by the Parties.
- 11.4 Each audit shall be conducted on the premises of the Audited Party during normal business hours. Audited Party shall cooperate fully in any such audit and shall provide the auditor reasonable access to any and all appropriate Audited Party employees and any books, records and other documents reasonably necessary to assess (i) the accuracy of Audited Party's bills and (ii) Audited Party's compliance with the provisions of this Appendix that affect the accuracy of Auditing Party's billing and invoicing of the services provided to Audited Party hereunder. Audited Party may redact from the books, records and other documents provided

- to the auditor any Audited Party Proprietary Information that reveals the identity of End Users of Audited Party.
- 11.5 Each Party shall maintain reports, records and data relevant to the billing of any services that are the subject matter of this Appendix for a period of not less than twenty-four (24) months after creation thereof, unless a longer period is required by Applicable Law.
- 11.6 If any audit confirms any undercharge or overcharge, then Audited Party shall (i) promptly correct any billing error, including making refund of any overpayment by Auditing Party in the form of a credit on the invoice for the first full billing cycle after the Parties have agreed upon the accuracy of the audit results and (ii) for any undercharge caused by the actions of the Audited Party, immediately compensate Auditing Party for such undercharge, and (iii) in each case, calculate and pay interest amounts from the Bill Due Date at the lesser of (i) one and one-half percent (1 ½%) per month and (ii) the highest rate of interest that may be charged under Applicable Law, compounded daily from the day following the Bill Due Date to and including the date that the payment is actually made and available, for the number of calendar days from the date on which such undercharge or overcharge originated until the date on which such credit is issued or payment is made and available.
- 11.7 Except as may be otherwise provided in this Appendix, audits shall be performed at Auditing Party's expense, subject to reimbursement by Audited Party of one-quarter (1/4) of any independent auditor's fees and expenses in the event that an audit finds, and the Parties subsequently verify, a net adjustment in the charges paid or payable by Auditing Party hereunder by an amount that is, on an annualized basis, greater than five percent (5%) of the aggregate charges for the audited services during the period covered by the audit.
- 11.8 Any disputes concerning audit results shall be referred to the Parties' respective personnel responsible for informal resolution. If these individuals cannot resolve the dispute within thirty (30) calendar days of the referral, either Party may request in writing that an additional audit shall be conducted by an independent auditor acceptable to both Parties, subject to the requirements set out in Section 3.3. Any additional audit shall be at the requesting Party's expense.

12.0 APPLICABILITY OF OTHER RATES, TERMS AND CONDITIONS

- 12.1 Every interconnection, service and network element provided hereunder, shall be subject to all rates, terms and conditions contained in this Agreement which are legitimately related to such interconnection, service or network element. Without limiting the general applicability of the foregoing, the following terms and conditions of the General Terms and Conditions are specifically agreed the Parties to be legitimately related to, and to be applicable to, each interconnection, service and network element provided hereunder: definitions; interpretation, construction and severability; notice of changes; general responsibilities of the Parties; effective date, term and termination; fraud; deposits; billing and payment of charges; non-payment and procedures for disconnection; dispute resolution; audits; disclaimer of representations and warranties; limitation of liability; indemnification; remedies; intellectual property; publicity and use of trademarks or service marks; no license; confidentiality; intervening law; governing law; regulatory approval; changes in End User local exchange service provider selection; compliance and certification; law enforcement; no third party beneficiaries; disclaimer of agency; relationship of the Parties/independent contractor; subcontracting; assignment; responsibility for environmental contamination; force majeure; taxes; non-waiver; network maintenance and management; signaling; transmission of traffic to third parties; customer inquiries; expenses; conflicts of interest; survival; scope of Agreement; amendments and modifications; and entire Agreement.